GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4606
ANSWERED ON:25.04.2008
IMPOSITION OF EXCISE DUTY ON HAND MADE LAUNDRY SOAP
Acharia Shri Basudeb

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has imposed 16 per cent excise duty on hand made oil based laundry soap;

(b) if so, the details thereof;

(c) whether some small scale units have been closed down duty to rising oil prices and imposition of excise duty;

(d) if so, the details thereof; and

(e) the action taken/proposed to be taken to save these labour intensive small scale units?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) &(b) : As part of the proposals in the budget 2006-07, excise duty exemption on several items manufactured without aid of power including hand made laundry soap, was withdrawn. As such, the general effective rate of Central Excise duty applicable to hand made laundry soap is now 14%. However, such soap manufactured in rural areas by institutions recognised by KVIC, unit run by women`s societies, registered co-operative societies etc. is fully exempted. In addition, general SSI exemption is also available to this item.

(c): No small scale unit has been closed due to rising of oil prices and imposition of excise duty on hand made oil based laundry soap.

(d) &(e): In view of (c) above, does not arise.